WILKINSON) BARKER) KNAUER) LLP

2300 N STREET, NW
SUITE 700
WASHINGTON, DC 20037
TEL 202.783.4141
FAX 202.783.5851
www.wbklaw.com

October 1, 2003

Ms. Marlene H. Dortch
Secretary, Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Re: Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers -- CC Docket Nos. 01-338, 96-98 and 98-147

Ex parte presentation pursuant to C.F.R. §1.1206(a)(1)

Dear Ms. Dortch:

Marconi Corporation plc ("Marconi") met September 30, 2003 with Christopher Libertelli from the staff of Chairman Michael Powell. Representing Marconi were Mark Cannata and the undersigned. During the meeting, Marconi discussed the ill-advised disparate treatment of fiber-to-the-curb versus fiber-to-the-home in "greenfield" deployments utilizing the attached presentation slides.

Respectfully submitted,

/s/

Timothy J. Cooney
Counsel for Marconi Corporation plc

cc: Christopher Libertelli

The Commission should not dictate particular technology or architectures.

Fiber-to-the-Curb networks are identical to FTTH networks in the support the FCC's key objectives:

1) Providing "Advanced Telecommunications Services"

and

2) Enabling facilities-based competition

Marconi

Marconi North American Access

Mission Statement

To provide high-quality and cost-effective last mile systems for both traditional copper and fiber narrowband and broadband networks by utilizing innovative and patented technology to help North American service providers deliver bundled voice, data and video services.

- **Large Installed Base**
  - One of the top three vendors of wireline access systems
  - Market share growth from 11% in 2001 to 16% in 1Q03
  - Total North American deployment capacity exceeds 20 million lines; 10M installed
- **Technology leadership in fiber-based, full-service access systems**
  - Most widely deployed fiber-centric architecture in North America with over four million lines of capacity
  - FTTC architecture providing broadband services today:
    - 600,000 homes passed with native mode, 10Bt ethernet
    - 700,000 homes passed with 750Mhz and 860Mhz RF-based Broadcast video
    - 800,000 homes passed with full-rate ADSL
- **Blue chip customers; well-established relationships with:**
  - ILECs : BellSouth, Sprint, SBC, Verizon
  - Overbuilders: Grande, Knology
  - Independents: CenturyTel

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FTTC Should Have Regulatory Parity with FTTH, in greenfield applications

- **Fiber-to-the-Curb networks support the same services as Fiber-to-the-Home networks**
  - FTTC is at "Service Parity" with FTTH
  - FTTC supports the same CPE interfaces from the O/E conversion point
  - Services transported over FTTC and FTTH are supported from the O/E conversion point (ONU, ONT) without additional active electronics
- **Fiber-to-the-Curb networks are deployed by CLECs**
  - Like FTTH, there is no competitive impairment in the deployment of FTTC

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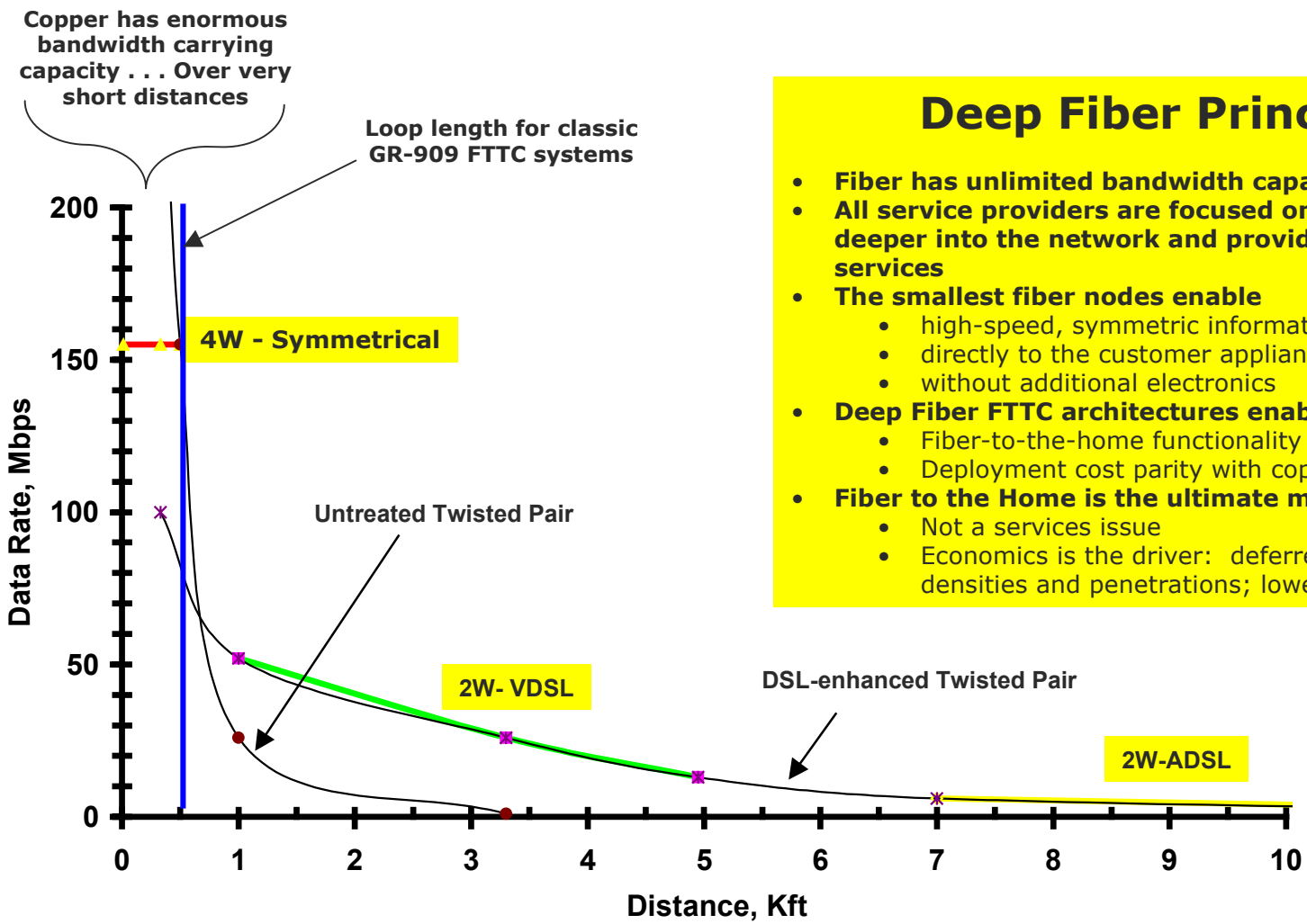
The Value of Deep Fiber Deployment



Deep Fiber Principles

- **Fiber has unlimited bandwidth capacity**
- **All service providers are focused on migrating fiber deeper into the network and providing bundled services**
- **The smallest fiber nodes enable**
  - high-speed, symmetric information delivery
  - directly to the customer appliance
  - without additional electronics
- **Deep Fiber FTTC architectures enable:**
  - Fiber-to-the-home functionality
  - Deployment cost parity with copper
- **Fiber to the Home is the ultimate migration**
  - Not a services issue
  - Economics is the driver: deferred capex for lower densities and penetrations; lower OPEX

Bandwidth Carrying Capacity of Twisted Pair Copper

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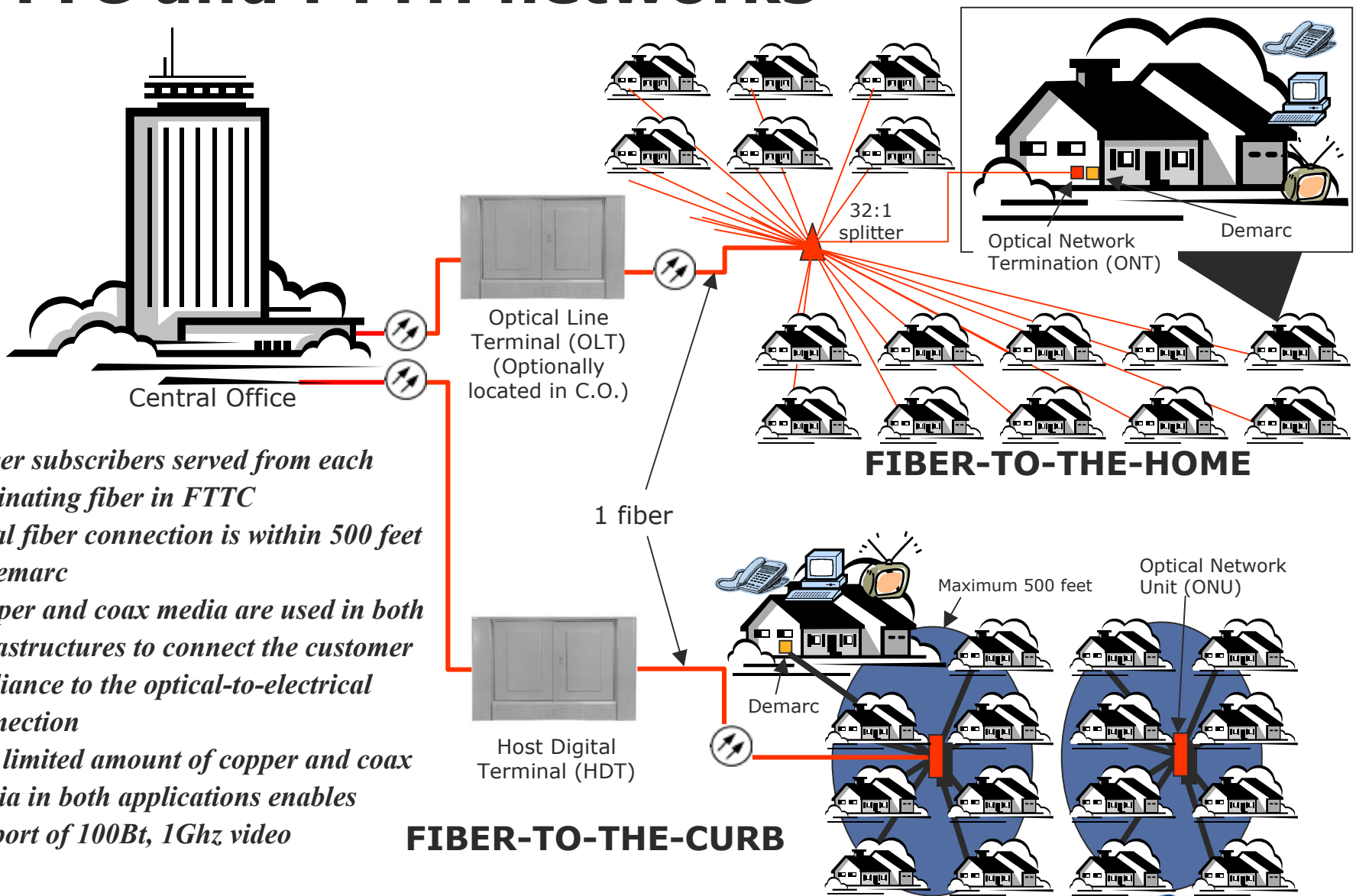
FTTC and FTTH networks



- *Fewer subscribers served from each originating fiber in FTTC*
- *Final fiber connection is within 500 feet of demarc*
- *Copper and coax media are used in both infrastructures to connect the customer appliance to the optical-to-electrical connection*
- *The limited amount of copper and coax media in both applications enables support of 100Bt, 1Ghz video*

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FTTC supports the same services as FTTH

- **CPE connection is the same for both architectures**
  - 10Bt / 100Bt / GigE
  - Conventional Set-top Box including 2-way RF
  - Phone with BORSHT functions provided from network
- **No additional electronics are required between the O/E conversion and the CPE**
- **Today's (and tomorrow's) FTTH ONTs support same services as FTTC ONUs**
  - Marconi ONUs are passing over 600,000 homes with 10Bt ethernet lines; 100Bt and even GigE connections are also possible
  - Marconi FTTC equipment is passing over 700,000 video enabled homes as well
    - 750Mhz and 860Mhz capability
    - 2-way RF for cable modems, set-top box return

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FTTC networks are also being deployed by CLECs

Marconi FTTC equipment has been sold to several CLECs and is passing over 50,000 homes, many of these in Grande's network

Business Tuesday
The Dallas Morning News
DallasNews.com
Tuesday, August 27, 2002
II Section D

Slow and steady

Modest growth plan is credited with keeping upstart afloat while others failed

By VIKAS BAJAJ
Staff Writer

SAN MARCOS — Going up against the giants of the telecommunications industry requires a rare blend of chutzpah and humility.

Exhibit A of the philosophy is Bill Morrow, whose company, Grande Communications Inc., is building new cable, phone and Internet networks in seven Texas cities to compete head-on with the nation's second-largest local-

Odessa and San Marcos. The company is one of a few undertaking such a massive investment when most of the industry is quickly retreating from mega-projects and big ideas.

Cable and phone companies "built the same number of miles selling one product — cable or local phone," said Mr. Morrow, vice chairman and chief executive.

"We are building the same number of miles and we sell cable, Internet and telephone. We are generating more revenue."

But after spiritedly articulating why he can beat AOL Time Warner Inc. and SBC Communications Inc., Mr. Morrow reverts to modesty when discussing his abilities.

Early on, he turned down millions in funding from investors

Grande Communications

Bill Morrow, vice chairman and CEO of Grande Communications, said he turned down millions from investors who wanted the company to start quickly in five major metropolitan areas.

from the fate several of its peers suffered. In March, Denver-based

quired in June, have together raised $450 million in equity and

Better technology

Grande executives say such price wars won't derail it, because in the long run it has a critical advantage over Time Warner and SBC — its network.

The company uses fiber-optic technology that has greater capacity than copper phone wires and coaxial cables. The links can simultaneously carry phone calls, cable signals and Internet transmissions at speeds of up to 10 megabits per second. Mr. Morrow said a relatively small upgrade can push capacity to 100 megabits a second.

Phone companies today offer

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Proposed change to Rules

- **Current rule, section 51.219(a)(3)**
  - (3) Fiber-to-the-Home loops. A fiber-to-the-home loop is a local loop consisting entirely of fiber optic cable, whether dark or lit, and serving a end user's customer premises.

- **Proposed rule**
  - (3) Fiber ~~to the Home~~ loops. A fiber ~~to the home~~ loop is a local loop consisting entirely of fiber optic cable, whether dark or lit, and serving a terminal, at, or within 500 feet of, an end user's customer premises.

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